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FISCAL IMPACT STATEMENT

LS 7572

BILL NUMBER: HB 1833

NOTE PREPARED: Jan 6, 2005

BILL AMENDED:

SUBJECT: Mortgage and Document Recording Fee.

FIRST AUTHOR: Rep. Austin

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill adds a \$10 fee for the recording of a document or mortgage. It also provides that the fee is distributed equally to the Affordable Housing Fund and the Housing Trust Fund.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues: This bill would require county recorders to collect the following new fees: \$10 for recording a mortgage and \$10 for recording a document that is paid at the time of recording. The revenue generated by both fees is to be divided equally between the Low Income Housing Trust Fund and Affordable Housing Fund, both of which are dedicated funds. The Housing Finance Authority uses money in the funds for grants, rent supplements, and loans. The Affordable Housing Fund is used by the Authority to provide financial assistance for rural and urban housing.

The U.S. Bureau of Census reported that of the total number of housing units in Indiana, approximately 38% had a mortgage in 2003. From 2000 to 2003, the number of units having mortgages increased on average by almost 22,000, or 2.2% each year. If the rate at which the number of mortgages increases remains the same, the \$10 fees are estimated to generate about \$220,000 for each fund. (These amounts would represent a minimum as second and third mortgages are not factored into the estimate.)

Explanation of Local Expenditures: The county auditor is required by the bill to distribute the new fees to the Auditor of State. Because county recorders already collect similar fees and county auditors currently remit

fees to the Auditor of State, collecting and distributing additional revenue should have a minimal fiscal impact on county recorders and auditors.

Explanation of Local Revenues:

State Agencies Affected: Indiana Housing Finance Authority.

Local Agencies Affected: County auditors and recorders.

Information Sources: US Bureau of Census: Selected Housing Characteristics: 2003, 2003 American Community Survey Summary Tables; www.census.gov.

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